

**SUMMARY APPRAISAL REPORT
FORMER FIRE STATION – ENGINE #39
6038 ST. CLAUDE AVENUE
NEW ORLEANS, LOUISIANA 70117**



**PREPARED FOR
MARTHA GRISET
REAL ESTATE ADMINISTRATOR
CITY OF NEW ORLEANS - CITY HALL
1300 PERDIDO STREET - ROOM 5W06
NEW ORLEANS, LOUISIANA**

**PREPARED BY
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**APPRAISER
GAYLE H. BOUDOUSQUIE, MAI
LOUISIANA CERTIFIED GENERAL
REAL ESTATE APPRAISER LICENSE NO. G0125
AND
BONNIE R. CURRY
LOUISIANA CERTIFIED GENERAL
REAL ESTATE APPRAISER LICENSE NO. G1023**

**AS OF
SEPTEMBER 18, 2012**

Gayle H. Boudousquie & Associates
228 St. Charles Ave. Suite 1331
New Orleans, LA. 70130

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September 21, 2012

Martha J. Griset
Real Estate Administrator
City of New Orleans
City Hall
1300 Perdido Street
Room 5W06
New Orleans, LA 70112

Our File No.: 2012-20

Re: Summary Appraisal Report
 Engine #39 – Former Fire Station
 6038 St. Claude Avenue
 New Orleans, Louisiana 70117

Dear Ms. Griset:

Pursuant to your authorization for an appraisal of the above captioned property, we completed an on site inspection on September 18, 2012. We have analyzed the neighborhood and comparable data necessary to estimate the “as is” market value of the fee simple interest at highest and best use.

This office appraised the property on July 21, 2008. The property in 2008 was in fair condition but has deteriorated to poor condition. The property has been boarded up and probably further damaged by Hurricane Isaac. The appraisers interior inspection was limited due to safety issues. We used some photographs from the original report for informational purposes.

The subject property is a 1,976+/- square foot former firehouse known as Engine #39. The property was constructed in 1924. The firehouse was operational pre-Katrina but has been vacant since the storm. The building is now boarded up. The building has three rooms, kitchen, bathroom, sleeping quarters, and apparatus room. The improvements are in poor condition. All kitchen fixtures have been removed. Some restroom fixtures are still in place. The improvements are situated on 4,650 square feet of land on the corner of St. Claude Avenue and Tupelo Street.

Ms. Martha Griset
Page 2

The property is located in area known as Holy Cross, a sub-district of the Lower Ninth Ward – a neighborhood devastated by Katrina.

Based on the quality and quantity of data, as well as current economic conditions, it is our opinion the “as is” value as of September 18, 2012 is

THIRTY ONE THOUSAND FIVE HUNDRED DOLLARS

(31,500.00)

This is \$26,000 lower than the 2008 value and is representative of the current market and the current property condition.

We hereby certify that we have no present or future contemplated interest in the subject property or any related third party interest in this property. **This value assumes there are no hazardous substances on the property, and any items stored in the building are removed prior to sale.**

This letter of transmittal only serves to report the final value estimate conclusion reached in the full summary report, which follows, and must not be misconstrued to represent a complete appraisal in and of itself. This report is subject to the assumptions and limiting conditions as stated herein. We sincerely hope this report serves the needs of city of New Orleans adequately. If there are any questions or if we may be of further service, please feel free to call.

Respectfully submitted,



Gayle H. Boudousquie, MAI
Louisiana Certified General
Real Estate Appraiser License, No. G0125



Bonnie R. Curry
Louisiana Certified General
Real Estate Appraiser License No. G102

CERTIFICATION

We certify that, to the best of our knowledge and belief . . .

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions.
- We have no present or perspective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- our compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- the analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics of which the undersigned is a member of The Appraisal Institute.
- the analyses, opinions, and conclusions were developed and this report prepared in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Louisiana Certified Real Estate Appraisers Law.
- the use of this report is subject to the requirements of the appraisal organizations of which the appraiser is a member relating to review by its duly authorized representatives.
- We have made a personal inspection of the property that is the subject of this report. We have made an exterior inspection of the comparables that are used in this report.
- no one other than associates in this office or outside consultants as noted provided significant professional assistance in the preparation of this report.
- the appraisal assignment was not based on a requested minimum valuation, or specific valuation or the approval of a loan.
- the undersigned designated appraisers have completed the requirements under the continuing education program of the appraisal organizations for which he is a member.
- We have completed previous appraisal assignments of similar type properties. Our office appraised the property in 2008. The appraisers have not completed any appraisal, review, or consulting assignments for the subject over the last three years.



GAYLE H. BOUDOUSQUIE, MAI
LOUISIANA CERTIFIED GENERAL
REAL ESTATE APPRAISER LICENSE No. G-0125

BONNIE R. CURRY
LOUISIANA CERTIFIED GENERAL
REAL ESTATE APPRAISER LICENSE NO. G1023

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

| | |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Address of Subject: | 6038 St. Claude Avenue New Orleans, LA |
| Date of Appraisal: | September 21, 2012 |
| Date of Value: | September 18, 2012 |
| Type of Appraisal: | Summary Appraisal Report |
| Property Rights Appraised: | Fee Simple Ownership |
| Zoning: | C-1, Commercial District |
| Property Type: | Firehouse |
| Site Description: | 4,650+/- square feet with frontage on St. Claude Avenue |
| Improvements: | Vacant former firehouse containing 1,976± sq. ft in poor condition |
| Highest and Best Use: | Re-Development of building into an alternative commercial use. |
| Value by the Cost Approach: | N/A |
| Value by the Income Approach: | N/A |
| Value by the Sales Comparison Approach: | \$31,500.00 |
| Final Estimate of Value: | \$31,500.00 |
| Appraisers: | Gayle H. Boudousquie, MAI Louisiana Certified General Real Estate Appraiser License, No.G0125 and Bonnie R. Curry Louisiana Certified General Real Estate Appraiser License No. G1023 |

ASSUMPTIONS AND LIMITING CONDITIONS

An oral or written report, counseling letter or any assignment in which an indication of value is rendered is considered an APPRAISAL. The appraisal assignment is subject to the following assumptions and limiting conditions.

This appraisal report has been made with the following general assumptions.

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
4. All engineering is assumed to be correct. The plot plans and illustrative material in the report are included only to assist the reader in visualizing the property and should not be construed as exact.
5. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
6. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
7. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
8. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
9. The assignment is conducted on the assumption that all improvements are completed and in place.
10. The quality of on site management can have a direct effect on the property's economic viability and market value. The financial forecasts contained in this assignment assume both responsible ownership and competent management. Any variance from this assumption could have a significant impact on the forecasted value estimate.

11. All estimates, projections and forecasts contained in this assignment are based upon an evaluation of the present general level of the economy in the area. This does not take into account nor make provision for the effect of any sharp rise or decline in the local or general economic conditions. All estimates, projections and forecasts contained in this report are considered to be reasonable probabilities but are in no manner guaranteed, and we assume no liability for any deviation in the estimates, projections and forecasts.
12. The appraisers assume that there are no hidden or unapparent conditions of the property, sub-soil or structures, which would render it more or less valuable. No responsibility is assumed for such conditions, the cost to correct any defects now existing or that may develop in the future or for the cost of engineering, which may be required to discover them.
13. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde, foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental impacts upon real estate if so desired.

This appraisal report has been made with the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser.
3. The appraisers herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
- 4.

5. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
6. The appraisers reserve the right to change and revise valuation in this assignment if any undisclosed information or errors come to their attention at a later date.
7. The appraisers'/consultants' responsibility is limited to the client, and use of this appraisal by third parties shall be solely at the risk of the client and/or third parties.
8. Acceptance of and or use of the report constitutes acceptance of all assumptions and the above conditions.

SCOPE OF THE APPRAISAL

The subject is located in an area known as Holy Cross between the Industrial Canal and St. Bernard Parish in the Lower Ninth Ward. The subject was former Fire Station Engine #39 – vacant since Katrina. The property in 2008 was in fair condition but has deteriorated to poor condition based on our inspection of September 18, 2012. The appraisers have done the following:

- Inspected the subject site and improvements.
- The subject is valued “as is”.
- Information provided by the client is utilized in the report.
- Researched sales of small commercial buildings in the subject’s neighborhood.
- The improvements are in poor condition.
- The Cost Approach is not an indicator of value and is not utilized in this report.
- This building would appeal to an owner occupant or for redevelopment as demand warrants.
- The Income Approach is not an indicator of value and is not utilized in this report.

In the appraisal of the subject property, the appraiser obtained data from the following sources:

- Ownership Title Data
- Onsite inspection of the subject property and real estate market areas
- Gathering and investigating real estate market data:
- Public records, real estate agents, real estate appraisers, sellers and purchasers
- FEMA Flood Zone Data
- Analysis of land use trends
- Analysis of local area demographic data
- Parish government:
- Clerk of Court Records
- Assessor’s Records
- Local real estate agents and appraisers
- The University of New Orleans Market Data Center, Metropolitan New Orleans Real Estate Market Analysis, Turing the Corner, March 2012 (Volume 44) Uniform Standards of Professional Appraisal Practice, Appraisal Foundation, 2012 edition

PURPOSE AND INTENDED USE OF THE APPRAISAL

The exclusive use of the City of New Orleans for possible sale purposes.

DEFINITION OF MARKET VALUE

The United States Treasury Department, Comptroller of the Currency 12 CFR part 34.43(f) defines "Market Value":

"The most probable price a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus." Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

PROPERTY RIGHTS APPRAISED

Fee Simple Fee ownership is defined as the following:

"Fee simple estate is described as absolute ownership unencumbered by any other interest or estate subject only to the government powers of taxation, eminent domain, police power and escheat".

STATEMENT OF OWNERSHIP

The City of New Orleans, owns the property.

EFFECTIVE DATE OF APPRAISAL

The effective date of this appraisal is September 18, 2012.

DATE OF REPORT

Date of the report is September 21, 2012.

LEGAL DESCRIPTION

The subject fire station is located on Lots 5 and 6 Square 330-A as shown below:

SQUARE NO. 330-A ASSESS. DIST. NO. 9th. Ward. PROPERTY DESCRIPTION 14997
Engine # 39

OWNER: CITY OF NEW ORLEANS. ADDRESS: _____

C.O. BOOK 380 FOLIO: 123 DATE: 3/19/1924 LOT DESIGNATION: # 5 & 6.

SQUARE BOUNDED BY: St. Claude Ave. - El Dorado - Tupelo - Gordon, Sts.

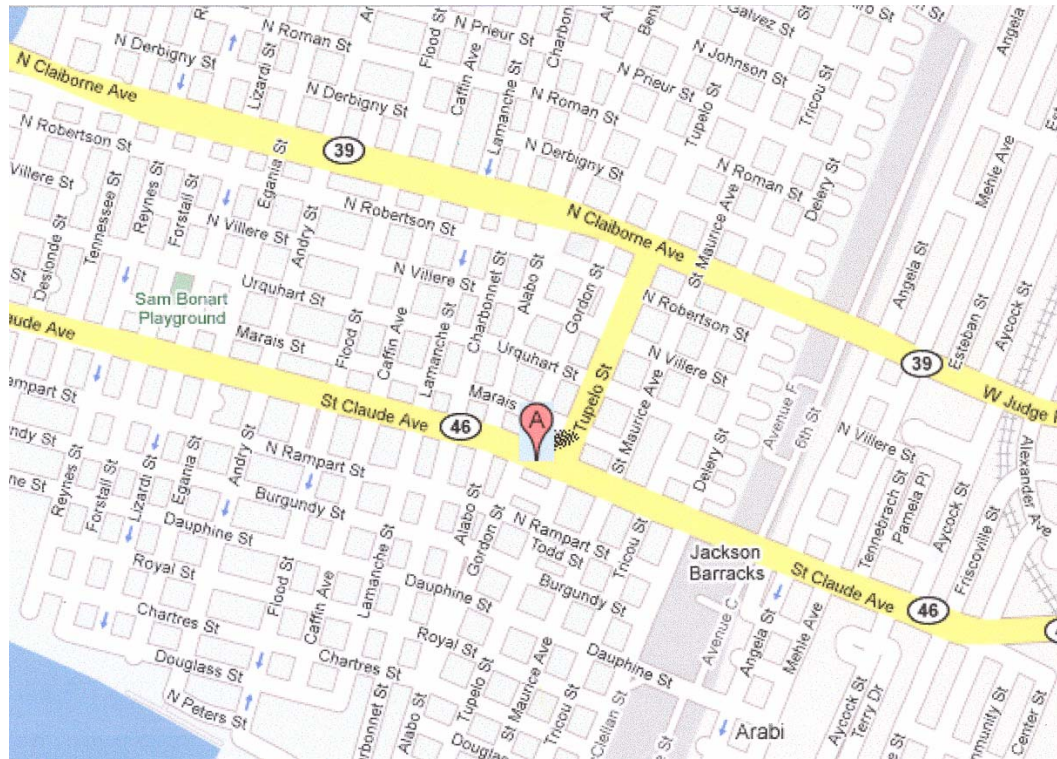
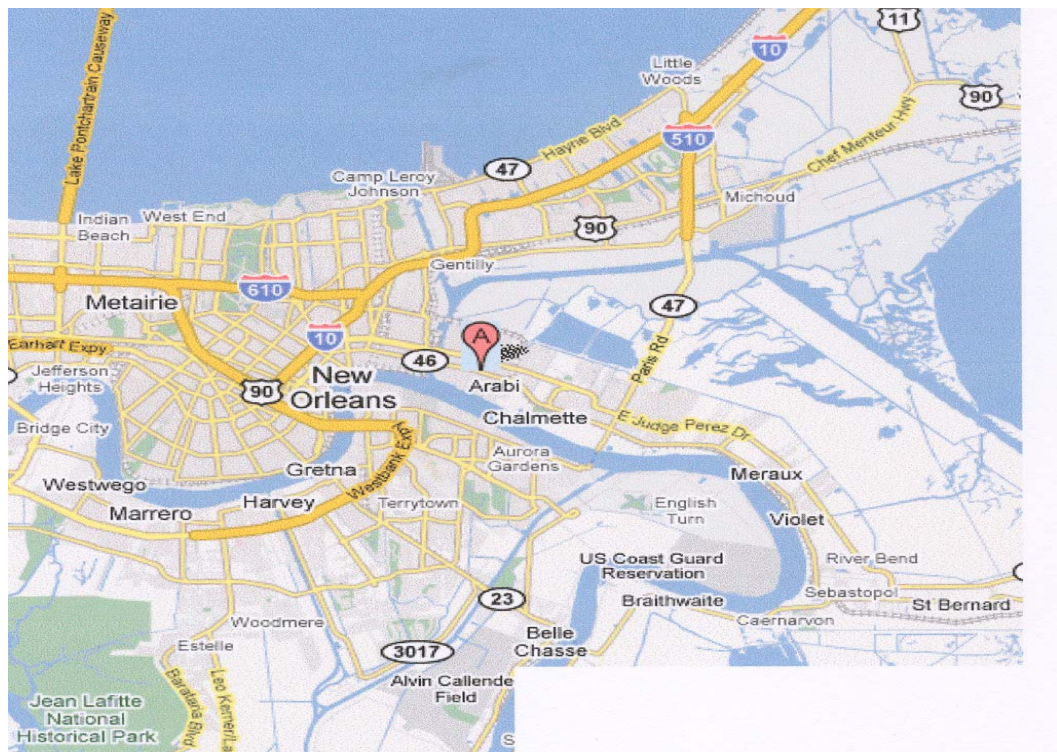
DESCRIPTION OF PROPERTY: _____

Lot # 5, _____
Forms the corner of St.
Claude and Tupelo Sts.
Measures:
26' 6" 0" 0" Front on St. Claude Ave.
100' 0" 0" 0" in depth and front on Tupe-
lo St. B.P.L.

Lot # 6, _____
Adjoins lot # 5 and
Measures:
20' 0" 0" 0" Front on St. Claude Ave.
100' 0" 0" 0" in depth B.P.L.

6038 St. Claude Ave
Engine 39



NEIGHBORHOOD MAP**VICINITY MAP**

NEIGHBORHOOD DESCRIPTION

The Holy Cross neighborhood is a portion of the Lower Ninth Ward, wedged between the levees of the Industrial Canal and the Mississippi River and stretching as far as the St. Bernard Parish line and as wide as St. Claude Avenue. Although not as severe, Holy Cross, like the Lower Ninth Ward, was flooded by the breach in the Industrial Canal levee. More than 3,200 homes were inundated by as much as six feet of water for up to 30 days. Today, most of the buildings suffer wind and flood damage ranging from leaking roofs to mold to structural destabilization. During this prolonged period of recovery, decisions are being made about the region's historic buildings and neighborhoods – which conditions can be treated and as a result, which structures will be salvaged and rehabilitated and which will be demolished. These decisions about the built heritage will have a great impact on efforts to rebuild the physical and social fabric of the Gulf Coast's historic communities. In New Orleans, the shotgun houses and cottages that make up neighborhoods like Bywater, Tremé and the Lower Ninth Ward are as much an integral part of the culture of the city as are its celebrations, music and food.

The subject site is bounded by Gordon Street to the west, St. Claude to the north, El Dorado to the south and Tupelo Street to the east. The adjacent neighborhoods are Lower Ninth Ward to the north, St. Bernard Parish to the east, the Mississippi River to the south and Bywater to the west.



Development in Subject Square Fronting St.Claude

The Lower 9th Ward, has been without a fire station since Hurricane Katrina flooded the Engine #22 and Engine #39 stations. City Planning approved construction of a new fire-house in 2008 but is only now being constructed. A zoning change from RD-3 to Conditional Use was just approved by the City Council on April 5, 2012. The firehouse will have 3-bays and 2nd floor living quarters for fireman at a cost of \$2.8-\$3.5 million dollars. Land is also being acquired for the approved Sanchez Center recreational park at a projected cost of \$800,000 to \$1 million, and the Oliver Bush Community Center at 2500 Caffin Street to be built at a cost of \$2.7 to \$3.4 million.

According to the Multi-List database, there has been only one commercial sale since 8/2008 to 9/2012. There have been 8 residential sales in Area 80 (Subject Area) over for houses in average to poor condition and an average sale \$43,225 or \$22.77 per square foot. No commercial buildings sales between the Industrial Canal and St. Bernard Parish were reported in the

Louisiana Commercial Data Base. There were 8 commercial sales listed in Deedfax. The only new construction noted is a Brothers Service Station/Food Mart shown below.



The city of New Orleans is expending money for road improvements and some landscaping. Hopefully these upgrades will enhance the neighborhood.

ZONING

Zoning is the public regulation of the character and extent of real estate use through police power; accomplished by establishing districts or areas with uniform restrictions relating to improvements, structure heights, areas, bulk, density of population, and other limitations on the use and development of private property.

The subject property is zoned C-1, Commercial District. The purpose of this district is to provide sufficient space in appropriate locations for a wide variety of commercial and miscellaneous service activities, generally serving a wide area and located particularly along certain existing major thoroughfares where a general mixture of commercial and service activity now exists, but which uses are not characterized by extensive warehousing, frequent heavy trucking activity, open storage of material, or the nuisance factors of dust, odor, and noise, associated with manufacturing. The district is intended for application in intensely developed areas. Tall buildings are permitted, no front yards are required and signs are less restricted than in the B-2 Neighborhood Business District.

Based on the size and placement of the subject improvements on the site, the subject improvements conform to zoning regulations.

ZONING MAP



ASSESSMENT AND TAXES

A new Constitution was approved by voters of the State of Louisiana on April 20, 1974. The tax provisions of the new Constitution provided that beginning January 1, 1978, residential properties and vacant land would be assessed at 10% of market value and other properties assessed on the basis of 15% of market value or cost (10% on land/15% on improvements). The new Constitution provided for reappraisal for assessment purposes at least once every four years. Millages throughout the State would be adjusted to provide level income to the respective parishes. Portions of the millage in the past have been designated to specific uses, such as levee districts, hospital districts, schools, etc., and the intent of the Constitution was that no parish or other entity would suffer a loss of revenue because of the equalization of the 1974 Constitution.

The property is owned by the City of New Orleans is tax exempt. Several attempts were made to locate assessment information but to no avail. This property is not located on the assessment tax site nor were we able to make contact with Erroll Williams's office, (Assessor for the Third District).

Site Description

The subject is located on the southwest corner of St. Claude Avenue and Tupelo Street in Square 330A and identified as Lots 5 and 6. The area is known as the Holy Cross in the Lower 9th Ward. The rectangular site has 46.5 feet of frontage on St. Claude Avenue by a depth and frontage on Tupelo Street of 100 feet between equal and parallel lines. The total square footage is 4,650 according to the legal description provided.

St. Claude Avenue is a four lane primary roadway separated by a center median to divide traffic flow.

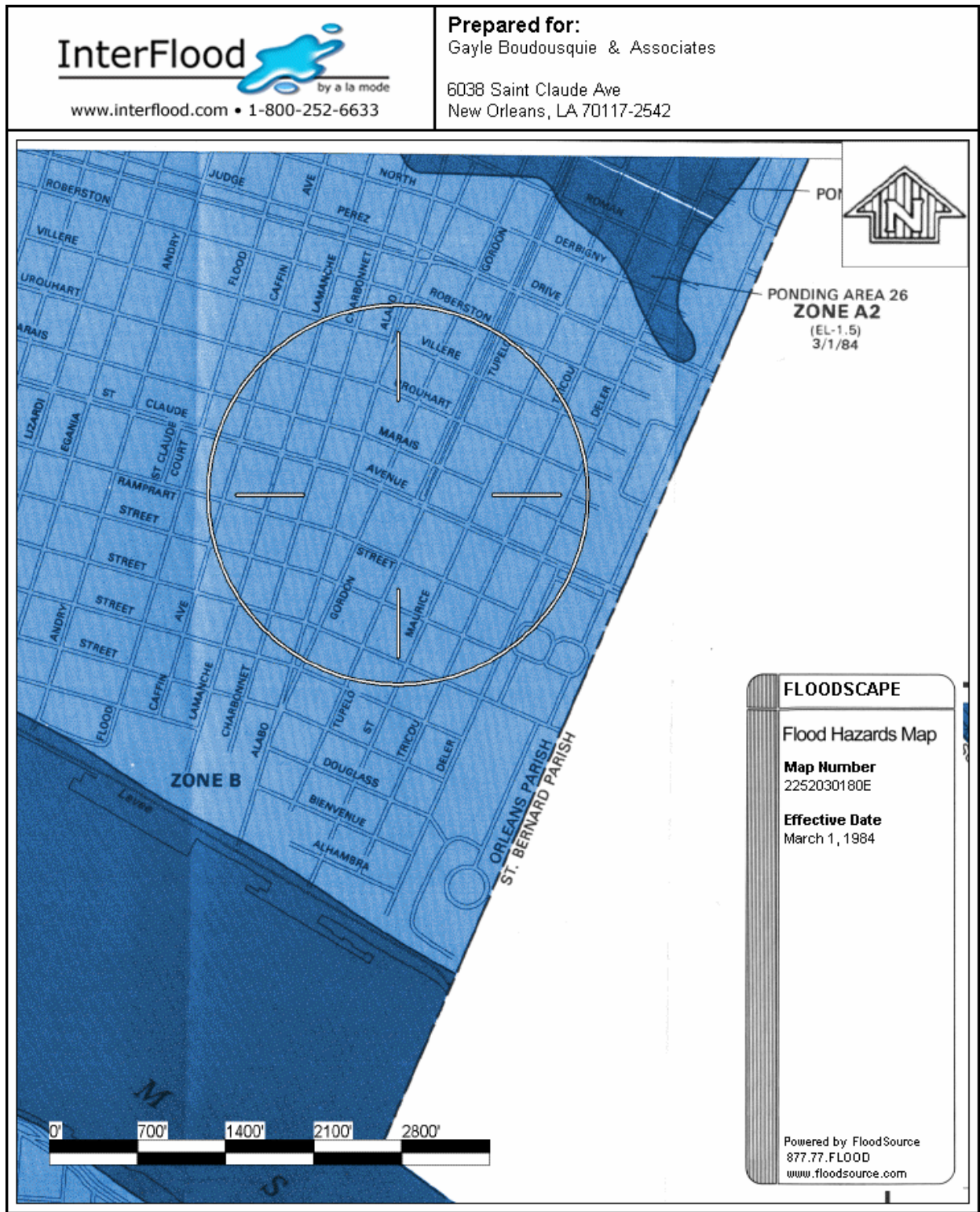
The subject is zoned C-1, Commercial District. This classification allows for wide variety of commercial uses. The topography is level and appears above street grade. Drainage is considered good accomplished by subsurface drainage. According to FEMA's flood insurance rate maps, the subject is located in Flood Zone B according to #225 2030 180E dated March 1, 1984.

Soil and subsoil are typical of the area but a new major construction project would require pilings.

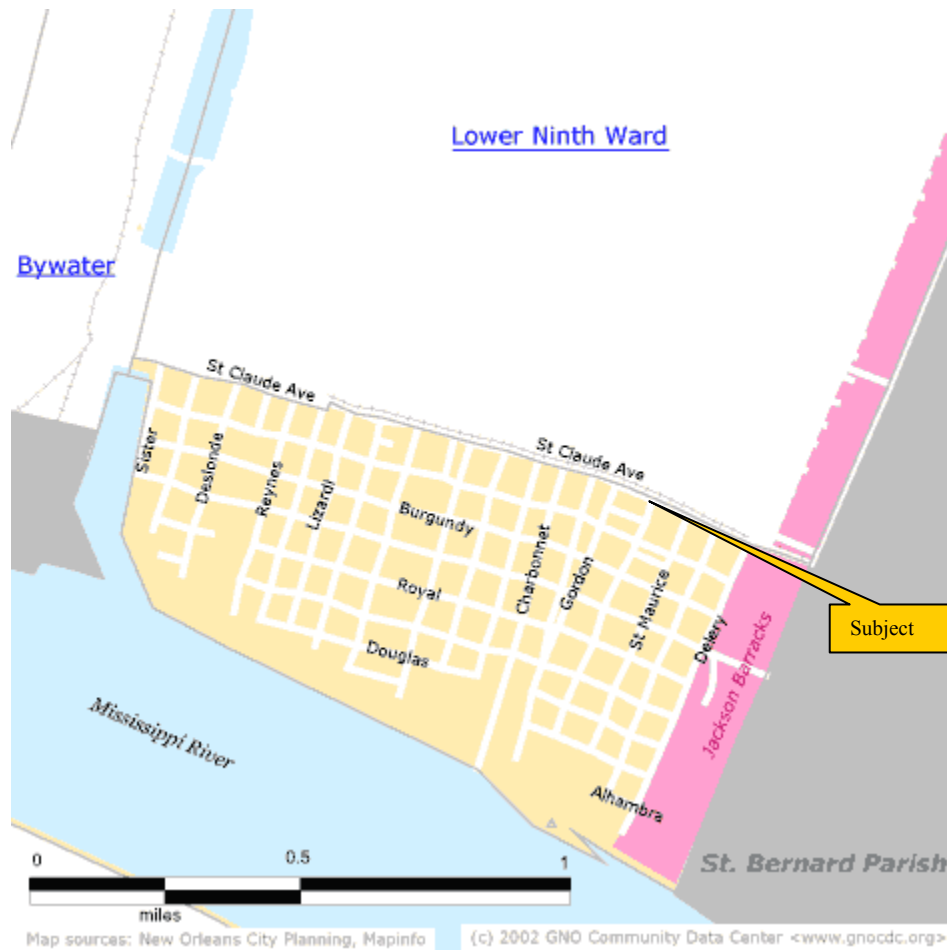
Public utilities including sewerage, water, electricity, and telephone serve the site.

No encroachments or easements that would negatively affect marketability were noted.

The site is in a totally built up area in a historic neighborhood that flooded because of the levee breach from Katrina. The activity in the area is minimal – considered slow reconstruction.

FLOOD ZONE MAP

© 1999-2008 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For Info: info@floodsource.com.

HOLY CROSS IN YELLOW – MAP SHOW BOUNDING NEIGHBORHOODS

DESCRIPTION OF IMPROVEMENTS

The subject improvements consist of a one-story vacant former fire station building built in 1924. The building is in poor condition. The building contains approximately 1,976 square feet not including a small 144 square foot mechanical room in the rear.

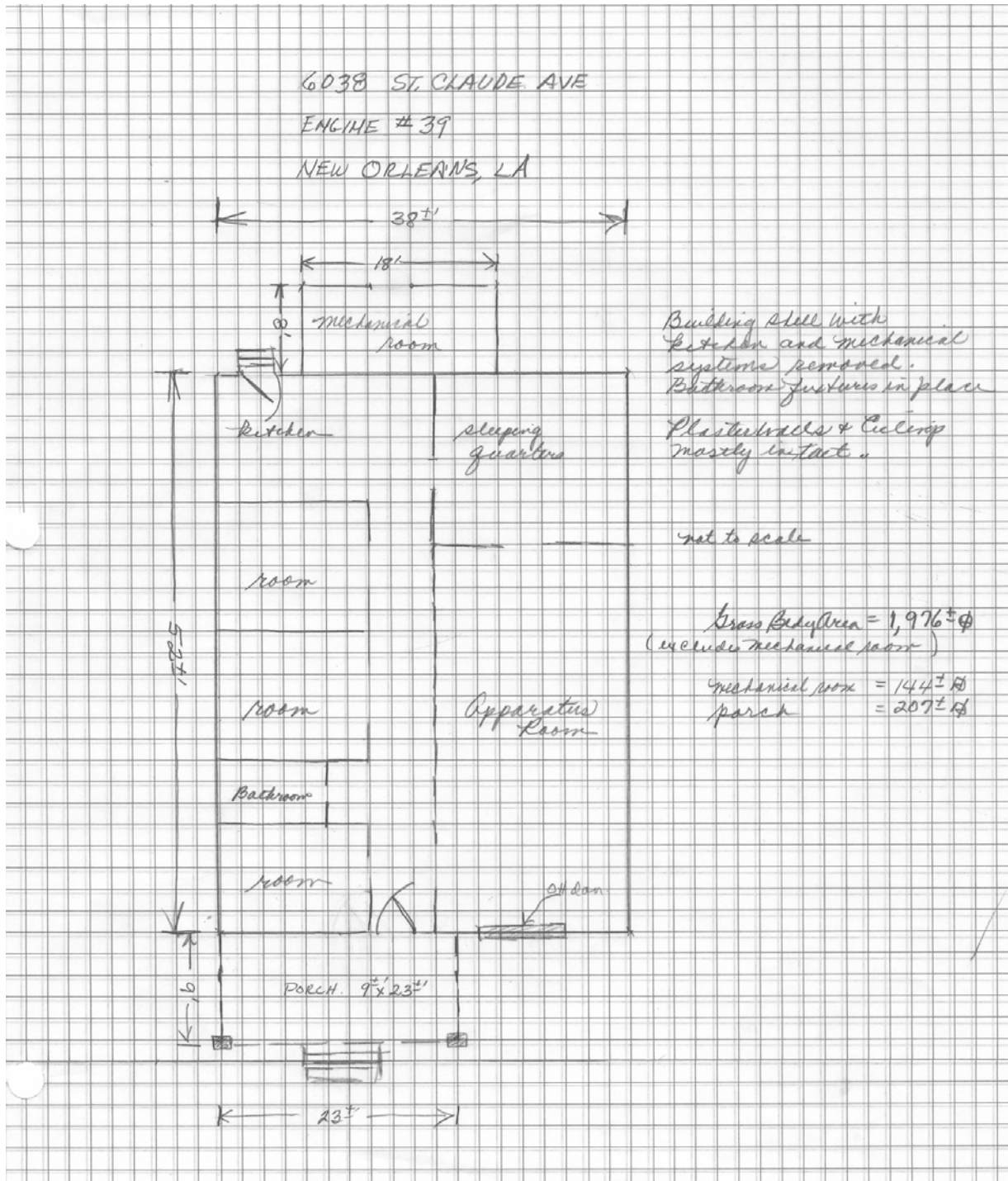
This office appraised the building in 2008. The building was considered in fair condition at that time but has deteriorated to poor condition based on the September 18, 2012 inspection. The building is boarded up and there is no electricity. For safety purposes the appraiser took only one interior photograph. The appraisers used some of the photographs from the 2008 appraisal report. These photographs are dated.

The building is brick and concrete with a stucco facade. The structure contains three rooms plus kitchen/bath, living quarters and apparatus room. The windows have been boarded. The roof, gutters, and eaves appear to be in poor condition. The plaster walls and ceilings are no longer intact. The building requires total renovation.

Current condition reflects continuing damage to all wood and plaster surfaces with peeling paint now on the floor and interior dampness due to multiple window, soffit, and roof leaks.

Following are a floor plan and subject photographs.

FLOOR PLAN



SUBJECT PHOTOGRAPHS



View of former firehouse, Engine #38, from Tupelo Street - Stucco facade over masonry
Photo Taken 9/18/2012



Rear View of View of firehouse – Taken 9/18/2012

SUBJECT PHOTOGRAPHS



Side View Looking Toward St.Claude Avenue Photo Taken 9/18/2012

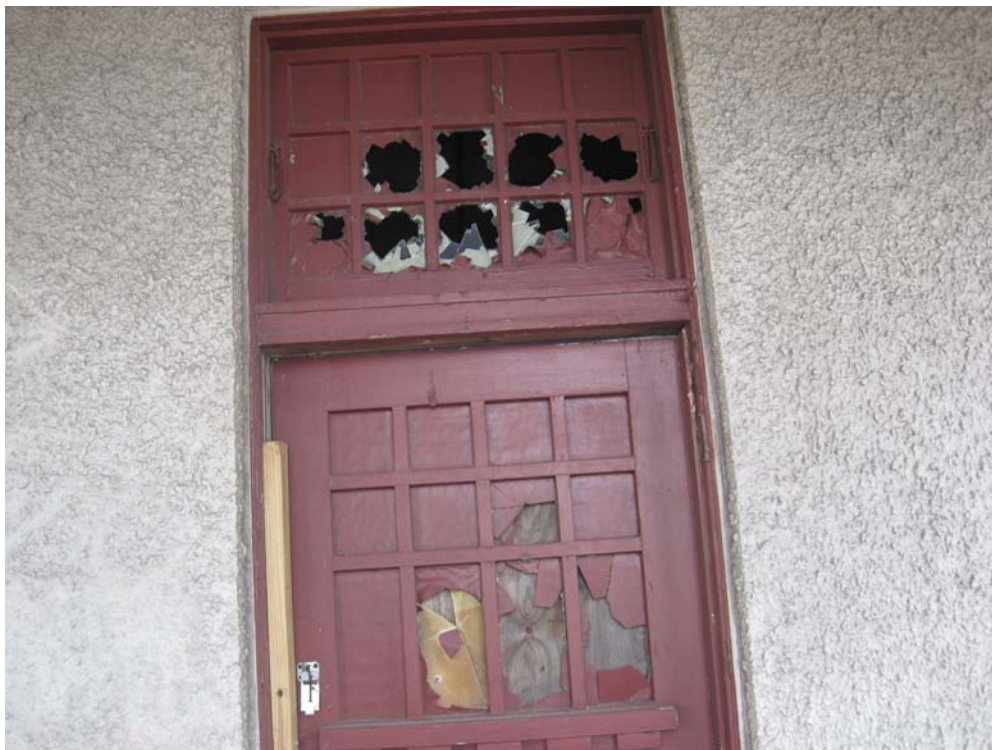
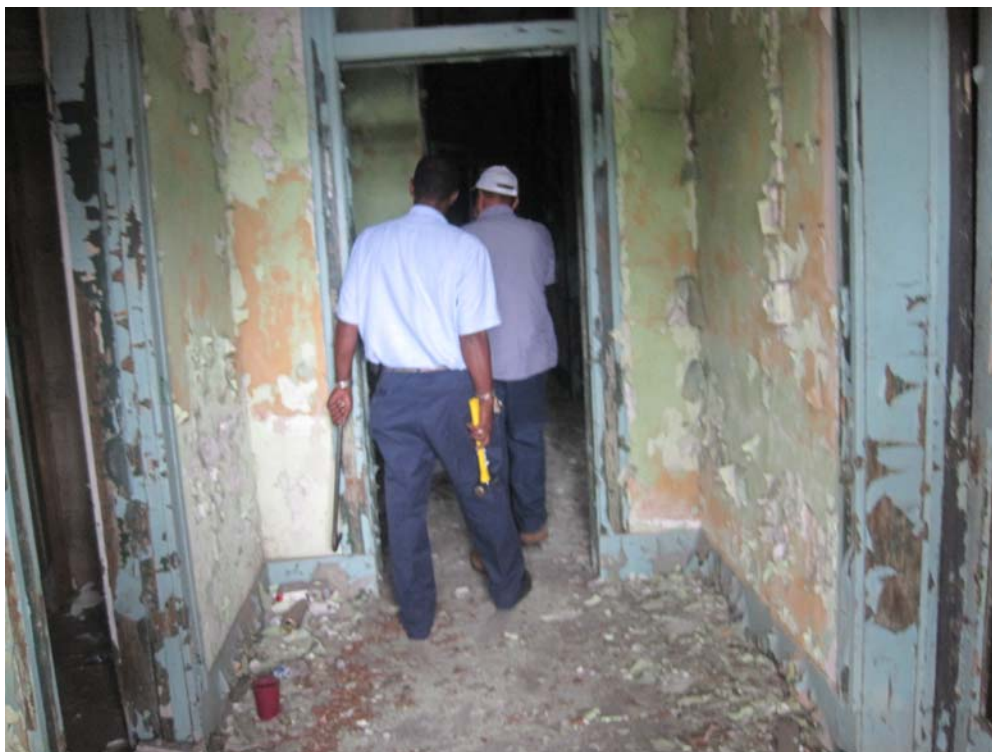


Photo Taken 9/18/2012 – Entrance Door

SUBJECT PHOTOGRAPHS

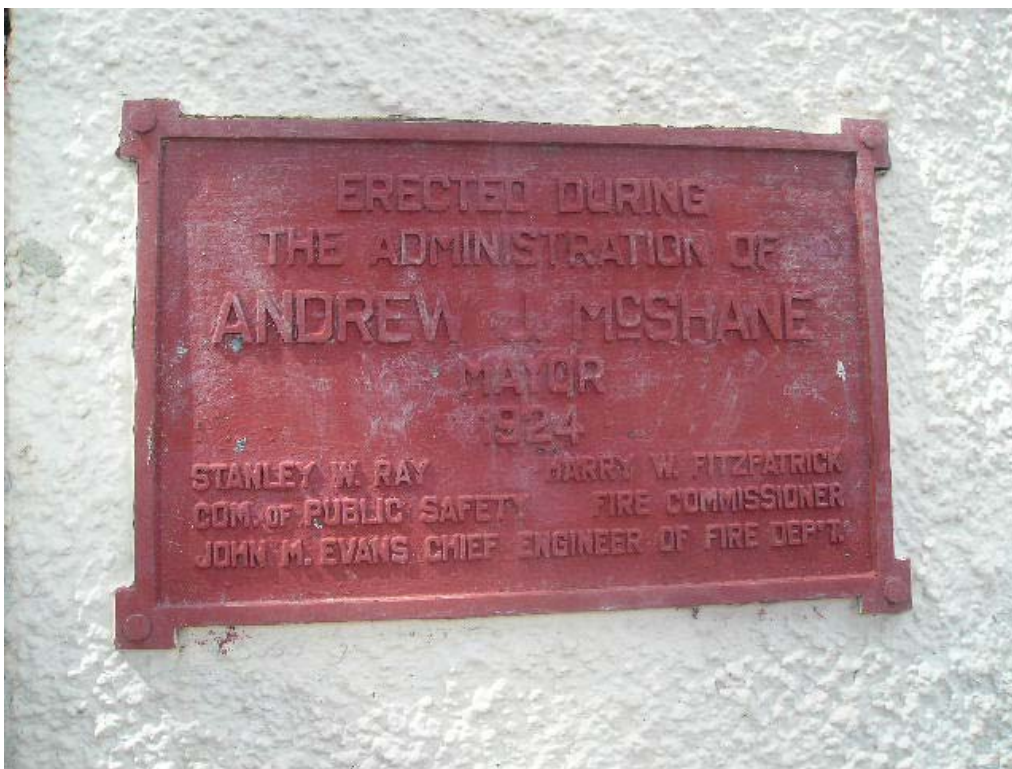


Interior View – Photo Taken 9/18/2012 - Appraisers stopped at this Point



One of three Rooms

SUBJECT PHOTOGRAPHS



Building Erection Plaque



Front Porch

SUBJECT PHOTOGRAPHS



View of Tupelo Street Taken from St. Claude



St. Claude Avenue Looking Toward Industrial Canal

HISTORY OF THE SUBJECT PROPERTY

The subject has been owned by the city of New Orleans since the 1920's operating as a fire station.

The property is not currently listed or under contract of sale. The property may be listed for sale in the near future.

HIGHEST AND BEST USE

The term, "highest and best use," is defined in The Appraisal of Real Estate, Twelfth Edition, published in 2000 by the Appraisal Institute, as follows:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."²

It is the base premises of value. Highest and best use is the appraiser's opinion after analyzing all available data and the factors that influence value. It is, however, not an absolute fact.

Since the land's utilization can be limited by the presence of the improvements, the highest and best use analysis is two-fold. First the land is analyzed assuming it is vacant and available to be developed into its most reasonable and probable use maximizing its highest present value. It recognizes that the value of a land parcel is basically determined by maximum potential use and the amount of value depends upon the nature of that anticipated use.

Secondly is the analysis of the property as improved; i.e., the optimal use that could be made for the property including its existing improvements, and implies the optimal existing improvements should be retained. If the analysis determines otherwise, it follows the improvements should be modified or demolished. In order to estimate the highest and best use, it is necessary to study existing land use patterns in the area, as well as the current trends influencing changes in usage.

In determining the highest and best use for a property, as if vacant and as improved, its use must meet four criteria. The criteria are as follows:

- (1) Physically Possible
- (2) Legally Permissible
- (3) Financially Feasible
- (4) Maximally Productive

Highest & Best Use - As Vacant:

The subject property is located in the Holy Cross neighborhood. The fire station was built in the 1920's and was fully operational until Hurricane Katrina. The property is located in a sub-district of the Lower Ninth Ward that was devastated by the storm. The neighborhood is in the rebuilding stage. Many of the properties are still vacant and some have been demolished. There is a supply of vacant lots in the area. The rebuilding of the neighborhood is underway but there is a long road ahead. Based on the current conditions, the Highest and Best Use of the subject site would be to hold for future commercial development as demand warrants.

³The Appraisal of Real Estate, Appraisal Institute, Thirteenth Edition-2008.

Highest and Best Use - As Improved

The subject consists of a single story former fire station in poor condition. The location on the corner of Tupelo and St. Claude Avenue is in an active block of commerce. The property is zoned C-1, Commercial District. The building in it's current would require total gutting prior to renovation. The property could possibly be renovated to an alternative commercial use.

The Highest and Best Use of the subject building is for re-development into a commercial use as demand warrants. This could be professional office, medical office, or some type of service business such as construction.

**VALUE OF ENGINE #39 FIRE STATION
BY THE
SALES COMPARISON APPROACH**

This office appraised the building in 2008 at which time the improvements were considered to be in fair condition. The building is currently in poor condition. The building has been vacant since Katrina. The subject is a former fire station in a neighborhood known as Holy Cross, a sub-district of the Ninth Ward, which was devastated by the levee breach from Katrina and further compromised by Hurricane Isaac. The gross building area is estimated as 1,976 square feet. This area is used in the sales comparison approach. The rear mechanical room is not included in the square footage.

Five comparable buildings are used in the analysis.

"Elements of comparison are the characteristics of properties and transactions that cause prices paid for real estate to vary."¹ These elements include: real property rights conveyed, financing terms, conditions of sale, market conditions, location, size, condition, access, visibility, and zoning. The comparables are compared to the subject and adjustments are made to reflect differences in the various elements of comparison in order to formulate a value indication.

The following sales were used in this analysis.

Comparable Building Sale #1



Location: 4955 St. Claude Avenue between Reynes & Tennessee
Third District, Square 423, Lot 13-C
New Orleans, Louisiana

Date: April 10, 2010

Price: \$22,500 Cash

Vendor: Everyday Properties LLC represented by Ronald J. Frey, Member

Vendee: Tommy Allen Pugh

Recordation: NA# 2010-14729

Zoning: C-1, Commercial District

Dimensions: 66.35 feet by 115 feet

Land Area: 7,630 Square Feet

Building Size: 2,330 +/- Square Feet

Land/Bldg. Ratio: 3.3:1

Comparable Sale No. 1 Cont.

Shape: Rectangular

Unit Price: \$9.66 per square foot improvements including land.

Remarks: The building was most recently Everyday Plumbing. The purchaser lives in the same square. The improvements are of frame construction and in average/fair condition at time of sale. The building is located on the side of the bridge ramp and can be seen from the bridge but access is affected.

Verification: Courthouse, Multi List, assessment records and visual inspection



Comparable Building Sale #2



Condition at Time of Sale



Current View

Location: 5624 St. Claude Avenue
Third District, Square 334, Lot 3A
New Orleans, Louisiana

Date: April 30, 2009 (Act filed in 2011)

Price: \$32,000, Cash

Vendor: Blanche L. Pratt

Vendee: Ernest W. Dison, Jr., et ux

Comparable Sale No. 2 Cont.

Recordation: NA# 2011-39737

Zoning: C-1, Commercial District

Dimensions: 45 feet x 120.7 feet

Land Area: 5,432+/- Square Feet

Building Size: 1,920± Sq. Ft

Land/Bldg. Ratio: 2.08:1

Shape: Rectangular

Unit Price: \$16.67 per square foot of improvements including land.

Remarks: This is a frame and brick veneer damaged by the storm. Building in poor condition at time of sale. Sale "as is". Vendor is Texas resident. Acquired by Vendor in 1959.

Verification: Agent and visual inspection.



Comparable Building Sale #3



Time of Sale



Current View

Location: 5700 St. Claude Avenue
Third District, Square 333, Lot A
New Orleans, Louisiana

Date: May 28, 2008

Price: \$44,250 Cash

Vendor: Lionel F. Estopinal

Vendee: Christopher Cain

Recordation: NA# 08-33986

Zoning: C-1, Commercial District

Comparable Sale No. 3 Cont.

Dimensions: 37 feet x 127 feet

Land Area: 4,699 Square Feet

Building Size: 2,400 +/- Square Feet

Land/Bldg. Ratio: 2.0:1

Unit Price: \$18.44 per square foot of improvements including land

Remarks: The building was in poor condition at time of sale. Property size was scaled from Sandborn Maps. Corner of Lamanche Street and St. Claude Avenue.

Verification: Courthouse, assessment records and visual inspection



Comparable Sale #4

Location: 5701 St. Claude Avenue
Third District, Square 431 Lot A
New Orleans, Louisiana

Sale Date: April 8, 2009

Sale Price: \$ 59,000 Cash

Vendor: Tai The Pham and Taylor Tran Pham

Vendee: Lower Ninth Ward Neighborhood Empowerment Network represented by
Patricia Jones

Recordation: NA#2009-15558

Zoning: C-1, Commercial District

Dimensions: 82 feet x 120 feet

Land Area: 3,578± Square Feet

Building Size: 2,881 Square Feet

Land/Bldg. Ratio: 1.25:1

Comparable Sale No. 4 Cont.

Shape: Rectangular

Unit Price: \$25.43 per square foot of improvements including land

Remarks: This is a commercial building damaged by Katrina. Building was in fair condition at time of sale. Masonry building. Property size was scaled from Sandborn Maps. Corner of Lamanche Street and St. Claude Avenue. Across St. Claude from Sale #3.

Verification: Courthouse and assessment records plus visual inspection



Comparable Sale #5



Photo at Time of Sale



Current Photo – Some work in Progress

Location: 1421 St. Roch Street
Third District, Square 613 Lots 17 & 18
New Orleans, Louisiana

Sale Date: March 23, 2011 (Signed by Mayor)

Sale Price: \$105,000 Cash

Vendor: City of New Orleans by Mayor Mitch Landrieu

Vendee: Joseph Brantly Cruthirds

Recordation: NA# 2011-15147

Zoning: RD-3, Residential District

Dimensions: 64 x 105 feet

Comparable Sale No. 5 Cont.

Land Area: 6,720 Square Feet

Building Size: 4,261 Square Feet

Land/Bldg. Ratio: 1.6:1

Shape: Rectangular

Unit Price: \$24.64 per square foot of improvements including land

Remarks: This building is a two-story vacant former fire station built in the late 1800's. The building is in fair/poor condition. The building is brick, wood, concrete, and metal construction with substantial termite damage. There is a side yard amenity.

Building appears to have some work being done as of 9/20/2012

Verification: Courthouse and assessment records plus visual inspection



[illegible]

In reviewing sales activity in the neighborhood five of the most comparable sales were utilized. All were damaged by the storm and in poor to average/fair condition. Sufficient comparable sales data was available. The five sales occurred between May 2008 and March 2011. The sales utilized are considered to be representative of the market.

After presentation of comparable data, the next step is one, which involves analysis of the comparable sales as they relate to the subject site. Adjustments most frequently used by the appraiser during this process are:

- (1) Financing terms
- (2) Conditions of sale (arm's length, succession, adjoining owner, etc.)
- (3) Market conditions (time)
- (4) Location
- (5) Physical characteristics

Discussion of each relevant adjustment follows:

Financing Terms

No adjustment for financing is necessary.

Conditions of Sale

Adjustments for condition of sale usually reflect the motivations of the buyers and the sellers. No condition of sale adjustments was evident and all the sales are considered market.

Market Condition (Time)

The sales ranged from 2008 to 2011. All of the sales are considered current and no adjustment was necessary.

Location

The subject is located on the southern side of St. Claude Avenue in an area known as Holy Cross, a sub-district of the Lower Ninth Ward. Four of the comparable properties are located on St. Claude Avenue between the Industrial Canal and St. Bernard Parish and zoned commercial. No location adjustment was necessary. Sale #5 is a former fire station located on St. Roch Street in closer proximity to the CBD in an area of more concentrated development. A downward – 30% adjustment appears in the grid.

Physical Characteristics

In analyzing the comparables for the physical characteristics, the appraisers adjust for size, access/visibility, location, and condition/quality.

Size

The smaller buildings tend to sell for higher unit prices. The subject building contains 1,976 square feet. The comparable sales ranged from 1,920+/- square feet to 4,261+/- square feet. Four of the sales in this category are considered similar. Comparables #5 is a two-story building and more than double the size. An upward +5% adjustment appears in the grid.

Access

The bridge rampage borders Sale #1 creating awkward access for a car traveling in easterly direction. In addition, visibility is hindered by the bridge rampage traveling in both directions. This sale is adjusted upward +20% in the grid.

Condition/Quality

Two of the sales were in poor condition similar to the subject. Sale #1 was in Average/Fair condition at time of sale and was adjusted downward -20%. Sale #4 was in fair condition at time of sale and adjusted downward -15% in the grid. Sale #5, the firehouse, was in fair/poor condition at time of sale. We added this category because the sale was heavily damaged and vacant after Katrina but not as damaged as the current condition of the subject, which may be considered a safety hazard.

Zoning

All of the comparable sales along St. Claude are zoned C-1, Commercial District as is the subject. The former fire station on St. Roch has a RD-3, Residential District zoning. The sale is adjusted upward +5% in the grid.

Please see the grid.

Adjustment Grid - 6038 St. Claude Avenue - Engine # 39

Sale Date
 Sale Price
 Site Size S/F
 Building Size S/F
 Land/Bldg. Ratio
 Zoning
 Condition
 Price per S/F

Condition of Sale
 Market Condition (Time)

| | | | | |
|-----------------------|---------|---------|---------|---------|
| Adj. for Cond. & Time | \$16.67 | \$18.44 | \$25.43 | \$24.64 |
|-----------------------|---------|---------|---------|---------|

Location

Size

Access/Visibility

Zoning

Condition/Quality

Total Adjustments:

Subj. by Comparison:

Per sq. ft. Per sq. ft. Per sq. ft.

CONCLUSION OF THE SALES COMPARISON APPROACH

The unadjusted comparable sales ranged from \$9.66 to \$25.43 per square foot. After adjustments, the value range narrows to between \$9.66 per square foot and \$21.62 per square foot. The mean is \$16.98 per square foot and the center of the range is \$15.64 per square foot.

All of the sales are given some weight in the analysis. Sales #5 is given the least weight based on location, size, and zoning. This is a former fire station in poor condition but in a more re-developing neighborhood just off the St. Claude corridor. This sale required the most adjustment. Sales 1-4 are all in the lower ninth ward. Sales 3-4 are in closer proximity to the subject and are all corner properties. Sale 1's access adjustment offsets the condition adjustment, and is the lowest adjusted sale of all the comparables. This sale is added, as it is a commercial sale in the Lower Ninth Ward.

Based on the information presented in this report, as well as current economic conditions, the value by the Sales Comparison Approach is **\$16.00 per square foot. Based on an area of 1,976 square feet the value by the Sales Comparison Approach is \$31,500 Rounded.**

RECONCILIATION AND FINAL VALUE ESTIMATE

The estimates of value are as follows:

| | |
|----------------------------------------|----------------|
| Value by the Cost Approach | Not Applicable |
| Value by the Sales Comparison Approach | \$31,500.00 |
| Value by the Income Approach | Not Applicable |

The subject is a former firehouse in poor condition. The property is compared to similar properties in the area. The Sales Comparison Approach is the primary indicator of value for the subject property and is the final value conclusion.

The Income Approach and the Cost Approach are not viable approaches to value and are not included in the report.

Based on the information presented in this report, as well as current economic conditions, the “as is” value as of September 18, 2012 is \$31,500.

THIRTY ONE THOUSAND FIVE HUNDRED DOLLARS
(\$31,500.00)

QUALIFICATION S OF THE APPRAISER

APPRAISER: GAYLE H. BOUDOUSQUIE, MAI
LOUISIANA CERTIFIED GENERAL
REAL ESTATE APPRAISER LICENSE NO. G0125

BUSINESS ADDRESS: 228 St. Charles Ave.
Suite 1331
New Orleans, LA 70130

BUSINESS TELEPHONE: (504) 525-5700 FAX (504) 525-5705 CELL (504) 495-2772
e-mail gaylehb@bellsouth.net

EDUCATION

Master of Business Administration, Concentration in Economics, Finance, and
Management, University of New Orleans
Bachelor of Science in Economics, Statistics Minor, Louisiana State University in New Orleans

REAL ESTATE EDUCATION

Various College Level Commercial Real Estate Courses in Financing and Investment
Decisions. The American Institute of Real Estate Appraisers, Courses 1A-1, 1A-2, 1B-A,
1B-B, 2-1, 2-2, and Standards of Professional Practice

Seminars Include:

Market Analysis
Hazardous Materials Institute
Real Estate Risk Analysis
Subdivision Analysis
Business Valuation
The Appraiser's Legal Liability
**Standards of Professional
Practice – 2011**
Developments in Income Property
Valuation - 2001
Tax Laws - 2001
Partial Interests - Divided - 2000

Easement Valuation - 2000
Analyzing Commercial Lease Clauses - 2002
DOTD Policies and Procedures - 2003
Appraisal Institute Course 420 – 2004
**Uniform Appraisal Standards for Federal
Land Acquisitions: 12/2009**

Scope of Work – 2007
Valuation of Office Buildings 2008
Spot Light on USPAP 2008

Course 901 IRWA Engineering Plan Development and Application 2008
Appraising Historic Preservation Easements Course 805 Appraisal Institute 2009
Appraising Distressed Commercial Real Estate Appraisal Institute 2009

Form 1004MC- Appraisal Institute 2009

Practice of Appraisal Review-FHA Protocol No. 145 2011

Appraising Non-Profit Properties
Contemporary Appraisal Practice
Understanding Limited Appraisals
The New URAR Form
Future of Appraising
The Internet and Appraisal
Various seminars given by the
Louisiana Real Estate Commission
Attacking & Defending Appraisals
in Litigation - 1999
Attacking & Defending Appraisals in
Litigation Part II - 2000
Valuation of Partial Interests
in Real Estate - 2003
Appraisal Institute Course 540 – 2003
Valuation of Detrimental Conditions
in Real Estate - 12/05

Forecasting Revenue 2007
Analyzing Distressed Real Estate 2008
Confidentiality and Hypothetical Conditions

QUALIFICATIONS OF THE APPRAISER – GAYLE H. BOUDOUSQUIE, MAI – Page 2**PROFESSIONAL EXPERIENCE****Real Estate Valuation and Consulting**

| | |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| 1995 - Present | Gayle H. Boudousquie and Associates (Owner) Commercial Real Estate and Counseling firm |
| 1992 - 1995 | Vice President, Stephen L. Guice & Co., Inc., Real Estate Brokers, Appraisers, and Counselors |
| 1983 - 1991 | Vice President, Dupree, Felts and Young, Inc. (Real Estate Appraisers, Analysts, and Counselors with Offices in New Orleans and Shreveport) |

Appraisal Review

| | |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1991 - Present | Independent Fee Appraisal Review Service to Lending Institutions and Government Agencies. Currently consultant to Orleans Parish for real estate tax appeals. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|

Brokerage

Real Estate Brokerage experience in evaluating and selling investment properties and in commercial leasing since 1975

Teaching Experience

| | |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1993 - Present | <p>Instructor - Tulane University - University College. Real Estate Principles and Practice. REAL 232-01 and Advanced Real Estate Principles REAL 332-01</p> <p>Real Estate Instructor Certified by the Louisiana Real Estate Commission, Certificate No. 659</p> <p>Seminar given April, 2006 to the Real Estate Commission Appraisers "Valuation of Property After a Natural Disaster- The Randall Bell Matrix" Appraisal Institute Approved.</p> |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

SCOPE OF ASSIGNMENTS

Market value analysis for apartment complexes, motels, hotels, office buildings, warehouses, industrial, shopping centers, medical clinics, residential and office condominiums, land at highest and best use, eminent domain, unimproved acreage, mixed-use developments, subdivision analysis, feasibility studies, special purpose property, valuation of property affected by hazardous materials. Expert witness testimony. Review of market and fair value appraisals. Real estate counseling problems.

Consultant to the New Orleans Board of Review for over 350 Commercial Assessment Appeals for the Tax year 2008.

QUALIFICATIONS OF THE APPRAISER – GAYLE H. BOUDOUSQUIE, MAI – Page 3**LITIGATION ASSIGNMENTS:**

Includes Eminent Domain in the Parish of Orleans for the Sewerage and Water Board., Parish of St. Tammany for the Department of Transportation and Development and private clients, Parish of Jefferson, and in Ascension Parish against the Ascension Parish Drainage District for a private client. Please call for more specific details.

Most current assignment includes Lake Pontchartrain, Louisiana and vicinity Hurricane Protection Project Orleans Parish, Louisiana Orleans East Bank 17th Street Canal Levee System. West Bank Hurricane Protection System. The LSU-VA Site eminent domain appraisals for 20 commercial properties.

PROFESSIONAL AFFILIATIONS

Louisiana Real Estate Appraisers State Board of Certification – Member 2003- present
 Appraisal Institute (formerly American Institute of Real Estate Appraisers (MAI), Certificate No. 8304
 Regional Ethics and Counseling Panel 1990-1996
 Non-Residential Demonstration Report Grader Panel 1990-2005
 Louisiana State Government Relations Subcommittee 1992-1993
 Review & Counseling Division - Assistant Regional Member 1993 - 1995
 General Guidance Subcommittee Region IX 1995-1998
 General Demonstration Report Subcommittee, Region IX, 1998 - 2003
 National Screener – Admissions, 1999 – Present
 Admissions Chair, Louisiana Chapter- General –2002
 National Experience Panel – 2005
 National Demonstration Report Panel - 2005

DISADVANTAGED BUSINESS CERTIFICATIONS

Louisiana Department of Transportation and Development

CLIENTS INCLUDE

| | |
|--------------------------------------------|------------------------------------|
| Bank One | Omni Bank |
| Barclays Bank International, Ltd. | Parish of Jefferson |
| Board of Review – Orleans Parish | Parish of Orleans |
| Baldwin and Haspel | Parish of St. Tammany |
| DRG Financial Corporation | Prudential Realty Group |
| E. I. DuPont de Nemours, Inc. | Regions Bank |
| Federal Deposit Insurance Corporation | Sewerage & Water Board New Orleans |
| Federal Reserve Bank of Atlanta | Salmen Company |
| First Asset Realty Advisors | Scottsdale Insurance Company |
| GMAC Mortgage | G. T. S. Corporation |
| CN/Illinois Railroad | Stachan Shipping Company |
| Louisiana Tax Commission | The Center Companies |
| Capital One/Hibernia National Bank | Touro Infirmary |
| GCR, Inc. | Whitney National Bank |
| InerFirst Bank, Dallas | Williams, Inc. |
| Louisiana Dept. of Transportation & Devel. | Wink Engineering |
| Manufacturers Hanover | Norfolk & Southern Railroad |
| Many and LoCoco | Aviation Board |
| Department of HUD | Dutell and Tranchina |

References provided upon request

QUALIFICATIONS OF THE ASSOCIATE APPRAISER

APPRAISER: BONNIE R. CURRY, ASSOCIATE APPRAISER
Louisiana Certified General
Real Estate License No. G1023

BUSINESS ADDRESS: 228 St. Charles Ave. Suite 1331
New Orleans, LA 70130

BUSINESS TELEPHONE: (504) 525-5700 FAX (504) 525-5705

EDUCATION

University of New Orleans – Business Administration

REAL ESTATE EDUCATION

1. The Appraisal of Real Estate – Tulane University
2. Commercial Real Estate Investment and Taxation – National Association of Real Estate

Appraisal Institute:

Course 110 – Appraisal Principles
Course 120 – Basic Valuation Procedures
Course 410 – Standards of Professional Practice – Part A
Course 420 – Standards of Professional Practice – Part B
Advanced Income Capitalization Techniques
Advanced Case Studies
2000 – Standards of Professional Appraisal Practice
Part A & B
2003 Standards of Professional Appraisal Practice
Information Technology, 12/2001
Analyzing Market Value, Investment Timing: Option Value, 7/2003
Appraising from Plans & Specifications 12/2003
Fair Housing 12/2003
Analyzing Operating Statements 4/2004
Forecasting Revenues
Residential Property Construction and Inspection 5/2004
Ethics in Real Estate 12/06
Scope of the Appraisal 1/07
Internet Tools for Appraisers 2/07
Condemnation and Eminent Domain 4/08
Real Estate Finance Statistics 12/2008
Advanced Internet Strategies – 10/1/2010
Valuing Commercial Green Buildings – 11/1/2010

QUALIFICATIONS OF THE ASSOCIATE APPRAISER – PAGE 2

Rates and Ratios – 12/1/2010

Analyzing Distressed Real Estate = 12/15/2010

SEMINARS ATTENDED

1994 Real Estate Tax & Investment Strategies – Loyola University
Various Real Estate Seminars

2005 Gayle H. Boudousquie & Associates, Associate Appraiser

3/1997 Stephen L. Guice & Co., Inc., Real Estate Brokers, Appraisers and
Counselors – Associate Appraiser

1992-1997

1992-1998 Dupree, Felts & Young, Inc. (Real Estate Appraisers, Analysts, & Counselors
with offices in New Orleans and Shreveport) – Associate Appraiser

1988 – 1992 Prudential Properties – Associate Broker

1986 – 1988 Curry Properties – Real Estate Sales, Management, & Leasing

1985 Licensed Real Estate Broker

1978 Licensed Real Estate Agent